



Billing Code: 5001-06

DEPARTMENT OF DEFENSE

[Transmittal No. 17-65]

Arms Sales Notification

AGENCY: Defense Security Cooperation Agency, Department of Defense.

ACTION: Arms sales notice.

SUMMARY: The Department of Defense is publishing the unclassified text of an arms sales notification.

FOR FURTHER INFORMATION CONTACT: Pamela Young, (703) 697-9107, pamela.a.young14.civ@mail.mil or Kathy Valadez, (703) 697-9217, kathy.a.valadez.civ@mail.mil; DSCA/DSA-RAN.

SUPPLEMENTARY INFORMATION: This 36(b)(1) arms sales notification is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996. The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 17-65 with attached Policy Justification.

Dated: April 16, 2018.

Shelly E. Finke,

Alternate OSD Federal Register Liaison Officer,

Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY

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ARLINGTON, VA 22202-5408

APR 04 2018

The Honorable Paul D. Ryan
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 17-65, concerning the Army's proposed Letter(s) of Offer and Acceptance to the Government of Spain for defense articles and services estimated to cost \$1.3 billion. After this letter is delivered to your office, we plan to issue a news release to notify the public of this proposed sale.

Sincerely,



Charles W. Hooper
Lieutenant General, USA
Director

Enclosures:

1. Transmittal
2. Policy Justification
3. Sensitivity of Technology



Transmittal No. 17-65

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act, as amended

(i) Prospective Purchaser: Government of Spain

(ii) Total Estimated Value:

Major Defense Equipment*	\$ 900 million
Other	<u>\$ 400 million</u>
TOTAL	\$1.300 billion

(iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase: The Government of Spain has requested the possible sale of seventeen (17) CH-47F cargo helicopters with customer-unique modifications.

Major Defense Equipment (MDE):

Seventeen (17) CH-47F Cargo Helicopters with customer-unique modifications
Twenty-one (21) Common Missile Warning System (CMWS) AN/AAR-57A(V)8
Forty-two (42) Embedded Global Positioning System (GPS) Inertial Navigation System (INS) (EGI)

Non-MDE:

Also included are mission equipment, hardware and services required to implement customer-unique modifications, communication, Aircraft Survivability Equipment (ASE), and navigation equipment including AN/ARC-231 Multi-mode radios, AN/ARC-201D SINCGARS radios, AN/ARC-220 High Frequency (HF) Radio, Identification, Friend or Foe (IFF), AN/AAR-57A(V)8, and the Radar Signal Detecting Set (RSDS), AN/APR-39A(V)1, special tools and test equipment, ground support equipment, airframe and engine spare parts, technical data, publications, MWO/ECPs, technical assistance, transportation of aircraft and training, and other related elements of logistics and program support.

(iv) Military Department: Army (SP-B-WBE)

(v) Prior Related Cases, if any: None

(vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None

(vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: See Attached Annex

(viii) Date Report Delivered to Congress: April 4, 2018

*As defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

Spain – CH-47F Aircraft

The Government of Spain has requested to buy seventeen (17) CH-47F cargo helicopters with customer-unique modifications, twenty-one (21) Common Missile Warning System (CMWS) AN/AAR-57A(V)8, and forty-two (42) Embedded Global Positioning System (GPS) Inertial Navigation System (INS) (EGI). Also included are mission equipment, hardware and services required to implement customer-unique modifications, communication, Aircraft Survivability Equipment (ASE), and navigation equipment including AN/ARC-231 Multi-mode radios, AN/ARC-201D SINCGARS radios, AN/ARC-220 High Frequency (HF) Radio, Identification, Friend or Foe (IFF), AN/AAR-57A(V)8, and the Radar Signal Detecting Set (RSDS), AN/APR-39A(V)1, special tools and test equipment, ground support equipment, airframe and engine spare parts, technical data, publications, MWO/ECPs, technical assistance, transportation of aircraft and training, and other related elements of logistics and program support. The estimated total case value is \$1.3 billion.

This proposed sale will support the foreign policy and national security objectives of the United States by improving the security of a NATO ally that has been, and continues to be, an important force for political stability and economic progress in Europe.

The proposed sale of the CH-47F aircraft will improve Spain's heavy lift capability. Spain will use this enhanced capability to strengthen its homeland defense and deter regional threats. Spain will have no difficulty absorbing these aircraft into its armed forces.

The proposed sale of this equipment and support will not alter the basic military balance in the region.

The principal contractor will be Boeing Helicopter Company, Philadelphia, PA. The purchaser typically requests offsets. Any offset agreement will be defined in negotiations between the purchaser and the contractor.

Implementation of this proposed sale will not require the assignment of any additional U.S. Government or contractor representatives to Spain.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act

Annex
Item No. vii

(vii) Sensitivity of Technology:

1. The CH-47F aircraft has been identified as Major Defense Equipment (MDE). The CH-47F is a medium lift, newly manufactured Aircraft. The CH-47F has the common avionics architecture system (CAAS) cockpit, which provides aircraft system, flight, mission, and communication management systems. The CAAS consist of two dual-redundant MIL-STD-1553B data busses and an Ethernet LAN capable of supporting both IEEE 802.3 and ARINC 664. The CAAS includes five multifunction displays (MFDs), two general purpose processor units (GPPUs), two control display units (CDUs) and two data concentrator units (DCUs). The Navigation System will have two Embedded GPS/INS (EGIs), two Digital Advanced Flight Control System (DAFCS), one ARN-147 (VOR/ILS marker Beacon System), one ARN-153 Tactical Air Navigation System (TACAN), two air data computers, and one AN/APN-209 Radar Altimeter system. The communications suite is as follows: two each AN/ARC-231 Multi-mode radios providing VHF FM, VHF-AM, UHF, HQ II and Demand Assigned Multiple Access (DAMA) Satellite Communications (SATCOM), one each AN/ARC-201D SINCGARS radios with associated IFMs, and one each AN/ARC-220 High Frequency (HF) Radio. The Identifier, Friend or Foe (IFF) will be the APX-123A, which provides the additional functionality of MODE 5. Aircraft survivability equipment (ASE) will consist of the Common Missile Warning System (CMWS), AN/AAR-57A(V)8, and the Radar Signal Detecting Set (RSDS), AN/APR-39A(V)1. Support and fielding for the CH-47Fs and installed CAAS would require one copy of technical documentation, along with a Contractor Field Representative. Technical data and documentation for CH-47F systems are classified up to SECRET. The sensitive technologies include:

- a. The AN/APX-123A Transponder is classified SECRET if Mode-4 or -5 Communications Security (COMSEC) keying material (KEYMAT) is loaded into the device.
- b. The TSEC KY-100 is a radio encryptor that has sensitive technology and is classified SECRET if COMSEC KEYMAT is loaded into the device.
- c. The AN/AAR-57A(V)8 CMWS is the detection component of the suite of countermeasures designed to increase survivability of current generation combat aircraft and specialized special operations aircraft against the threat posed by infrared guided missiles.
- d. The Radar Signal Detecting Set AN/APR-39A(V)1 provides the pilot with visual and

audible warning when a hostile fire-control threat is encountered.

e. The KIV-77, is a Common Crypto Applique for Identification, Friend or Foe (IFF) that provides Mode 4/5 capability. The KIV-77 Applique physical dimensions are 3.5 in. x 4.25 in. x 1 in., 16-oz. The KIV-77 can be removed from the host and stored as an Unclassified Controlled Cryptographic Item (CCI).

f. The AN/PYQ-10 (C) Simple Key Loader (SKL) is a ruggedized, portable, hand-held fill device used for securely receiving, storing, and transferring electronic key material and data between compatible end cryptographic units (ECU) and communications equipment. It supports both the DS-101 and DS-102 interfaces, as well as the Crypto Ignition Key and is compatible with existing ECUs.

2. If a technologically advanced adversary were to obtain knowledge of specific hardware, the information could be used to develop countermeasures which might reduce weapons system effectiveness or be used in the development of a system with similar or advanced capabilities.

3. A determination has been made that Spain can provide substantially the same degree of protection for sensitive technology being released as the U.S. Government. This proposed sustainment program is necessary to the furtherance of the U.S. foreign policy and national security objectives outlined in the Policy Justification.

4. All defense articles and services listed on this transmittal are authorized for release and export to the Government of Spain.

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